



ANNUAL STATEMENT
For the Year Ending December 31, 2004
OF THE CONDITION AND AFFAIRS OF THE
CARE CHOICES HMO

NAIC Group Code	0000	0000	NAIC Company Code	95452	Employer's ID Number	38-2694901
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	Michigan		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[X] No[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]	
Incorporated	07/08/1986		Commenced Business	01/01/1987		
Statutory Home Office	34605 Twelve Mile Road		Farmington Hills, MI 48331			
	(Street and Number)		(City, or Town, State and Zip Code)			
Main Administrative Office	34605 Twelve Mile Road		Farmington Hills, MI 48331			
	(Street and Number)		(Area Code) (Telephone Number)			
Mail Address	34605 Twelve Mile Road		Farmington Hills, MI 48331			
	(Street and Number or P.O. Box)		(City, or Town, State and Zip Code)			
Primary Location of Books and Records	34605 Twelve Mile Road		Farmington Hills, MI 48331			
	(Street and Number)		(Area Code) (Telephone Number)			
Internet Website Address	www.carechoices.com		(248)489-6292			
	(City, or Town, State and Zip Code)		(Area Code) (Telephone Number)			
Statutory Statement Contact	Donna J. West		(248)489-6292			
	(Name)		(Area Code)(Telephone Number)(Extension)			
	WESTD@trinity-health.org		(248)489-6191			
	(E-Mail Address)		(Fax Number)			
Policyowner Relations Contact						
			(Street and Number)			
			(City, or Town, State and Zip Code)			
			(Area Code) (Telephone Number)(Extension)			

OFFICERS

Name	Title
William R. Alvin	President (and CEO)
Jeanne M. Dunk	Secretary
Michael R. Koziara	Treasurer (CFO)
Gilbert Burgos MD	Chief Medical Officer

OTHERS

DIRECTORS OR TRUSTEES

James H. Peppiatt-Combes
William R. Alvin
Mary Ellen Howard RSM
Kevin McDonald
Garry Faja

Jay Herron
Howard B. Weinblatt MD
Ronald Collins
Paul Hughes-Cromwick
Diane Dabrowski

Paul Harkaway MD
Molly Resnik
Michael Slubowski
AkkeNeel Talsma

State of Michigan
County of Oakland ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
William R. Alvin	Jeanne M. Dunk	Michael R. Koziara
(Printed Name)	(Printed Name)	(Printed Name)
President (and Chief Executive Officer)	Secretary	Treasurer (Chief Financial Officer)
(Title)	(Title)	(Title)

Subscribed and sworn to before me this day of , 2005

a. Is this an original filing? Yes[X] No[]

b. If no, 1. State the amendment number

2. Date filed

3. Number of pages attached

(Notary Public Signature)

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)				5,047,952
2.	Stocks (Schedule D)				
2.1	Preferred stocks				
2.2	Common Stocks				
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$..... encumbrances)				
4.2	Properties held for the production of income (less \$..... encumbrances)				
4.3	Properties held for sale (less \$..... encumbrances)				
5.	Cash (\$.....60,560,319 Schedule E Part 1), cash equivalents (\$..... Schedule E Part 2) and short-term investments (\$.....1,011,117 Schedule DA)	61,571,436		61,571,436	48,734,938
6.	Contract loans (including \$..... premium notes)				
7.	Other invested assets (Schedule BA)				
8.	Receivable for securities				
9.	Aggregate write-ins for invested assets				
10.	Subtotals, cash and invested assets (Lines 1 to 9)	61,571,436		61,571,436	53,782,890
11.	Investment income due and accrued	853,072		853,072	1,104,979
12.	Premiums and considerations				
12.1	Uncollected premiums and agents' balances in the course of collection	1,516,138		1,516,138	1,004,590
12.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$..... earned but unbilled premiums)				
12.3	Accrued retrospective premiums				
13.	Reinsurance:				
13.1	Amounts recoverable from reinsurers	132,731		132,731	21,783
13.2	Funds held by or deposited with reinsured companies				
13.3	Other amounts receivable under reinsurance contracts				
14.	Amounts receivable relating to uninsured plans				
15.1	Current federal and foreign income tax recoverable and interest thereon				
15.2	Net deferred tax asset				
16.	Guaranty funds receivable or on deposit				
17.	Electronic data processing equipment and software				
18.	Furniture and equipment, including health care delivery assets (\$.....)				
19.	Net adjustment in assets and liabilities due to foreign exchange rates				
20.	Receivables from parent, subsidiaries and affiliates				30,038
21.	Health care (\$.....) and other amounts receivable	2,510,941	3,796	2,507,145	1,629,109
22.	Other assets nonadmitted				
23.	Aggregate write-ins for other than invested assets				
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	66,584,319	3,796	66,580,523	57,573,389
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26.	Total (Lines 24 and 25)	66,584,319	3,796	66,580,523	57,573,389
DETAILS OF WRITE-INS					
0901	.....			
0902	.....			
0903	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301.	.....			
2302.	.....			
2303	.....			
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$..... reinsurance ceded)	24,655,822		24,655,822	24,086,181
2.	Accrued medical incentive pool and bonus amounts	3,323,802		3,323,802	365,593
3.	Unpaid claims adjustment expenses	459,187		459,187	422,741
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	3,863,443		3,863,443	1,883,897
9.	General expenses due or accrued	380,230		380,230	401,918
10.1	Current federal and foreign income tax payable and interest thereon (including \$..... on realized capital gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittance and items not allocated				
14.	Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current)				
15.	Amounts due to parent, subsidiaries and affiliates				5,452
16.	Payable for securities				
17.	Funds held under reinsurance treaties with (\$..... authorized reinsurers and \$..... unauthorized reinsurers)				
18.	Reinsurance in unauthorized companies				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Liability for amounts held under uninsured accident and health plans				
21.	Aggregate write-ins for other liabilities (including \$..... current)				
22.	Total liabilities (Lines 1 to 21)	32,682,483		32,682,483	27,165,782
23.	Common capital stock	X X X	X X X		
24.	Preferred capital stock	X X X	X X X		
25.	Gross paid in and contributed surplus	X X X	X X X	16,500,000	16,500,000
26.	Surplus notes	X X X	X X X		
27.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
28.	Unassigned funds (surplus)	X X X	X X X	17,398,040	13,907,607
29.	Less treasury stock, at cost:	X X X	X X X		
29.1	..... shares common (value included in Line 23 \$.....)	X X X	X X X		
29.2	..... shares preferred (value included in Line 24 \$.....)	X X X	X X X		
30.	Total capital and surplus (Lines 23 to 28 minus Line 29)	X X X	X X X	33,898,040	30,407,607
31.	Total Liabilities, capital and surplus (Lines 22 and 30)	X X X	X X X	66,580,523	57,573,389
DETAILS OF WRITE-INS					
2101.	.....			
2102.	.....			
2103	.....			
2198.	Summary of remaining write-ins for Line 21 from overflow page				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)				
2701	.....	X X X	X X X		
2702	.....	X X X	X X X		
2703	.....	X X X	X X X		
2798.	Summary of remaining write-ins for Line 27 from overflow page	X X X	X X X		
2799.	TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	1,233,972	1,219,236
2.	Net premium income (including \$..... non-health premium income)	X X X	278,337,875	255,520,538
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$..... medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X		
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	Total revenues (Lines 2 to 7)	X X X	278,337,875	255,520,538
Hospital and Medical:				
9.	Hospital/medical benefits		183,496,128	164,853,402
10.	Other professional services			
11.	Outside referrals			
12.	Emergency room and out-of-area		10,407,917	8,642,999
13.	Prescription drugs		48,275,375	43,991,216
14.	Aggregate write-ins for other hospital and medical			
15.	Incentive pool, withhold adjustments and bonus amounts		4,690,992	2,120,139
16.	Subtotal (Lines 9 to 15)		246,870,412	219,607,756
Less:				
17.	Net reinsurance recoveries		(237,228)	(80,268)
18.	Total hospital and medical (Lines 16 minus 17)		247,107,640	219,688,024
19.	Non-health claims			
20.	Claims adjustment expenses, including \$..... 1,089,035 cost containment expenses		3,414,860	1,909,950
21.	General administrative expenses		27,727,407	29,751,064
22.	Increase in reserves for life and accident and health contracts (including \$..... increase in reserves for life only)			
23.	Total underwriting deductions (Lines 18 through 22)		278,249,907	251,349,039
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	87,968	4,171,499
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		537,826	343,394
26.	Net realized capital gains (losses)		8,731	72,743
27.	Net investment gains (losses) (Lines 25 plus 26)		546,557	416,137
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....)]			
29.	Aggregate write-ins for other income or expenses		2,859,704	2,608,365
30.	Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	3,494,229	7,196,001
31.	Federal and foreign income taxes incurred	X X X		
32.	Net income (loss) (Lines 30 minus 31)	X X X	3,494,229	7,196,001
DETAILS OF WRITE-INS				
0601	.....	X X X		
0602	.....	X X X		
0603	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701	.....	X X X		
0702	.....	X X X		
0703	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	.....		
1402	.....		
1403	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.	Supplemental Interest Income		2,859,704	2,608,365
2902.	.....		
2903	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)		2,859,704	2,608,365

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	30,407,607	23,205,085
GAINS AND LOSSES TO CAPITAL & SURPLUS			
34.	Net income or (loss) from Line 32	3,494,229	7,196,001
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Net unrealized capital gains and losses		(15,496)
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets	(3,796)	22,017
40.	Change in unauthorized reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in		
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus		
48.	Net change in capital and surplus (Lines 34 to 47)	3,490,433	7,202,522
49.	Capital and surplus end of reporting year (Line 33 plus 48)	33,898,040	30,407,607
DETAILS OF WRITE-INS			
4701	.....	
4702	.....	
4703	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	279,805,873	255,099,041
2.	Net investment income	798,464	416,137
3.	Miscellaneous income		1,762,703
4.	Total (Lines 1 through 3)	280,604,337	257,277,881
5.	Benefit and loss related payments	243,690,738	222,962,151
6.	Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	28,267,805	31,622,356
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) \$..... net of tax on capital gains (losses)		
10.	Total (Lines 5 through 9)	271,958,544	254,584,507
11.	Net cash from operations (Line 4 minus 10)	8,645,793	2,693,374
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	13,735,807	38,390,484
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)	13,735,807	38,390,484
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	8,593,989	40,789,790
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications	93,866	
13.7	Total investments acquired (Lines 13.1 to 13.6)	8,687,855	40,789,790
14.	Net increase (decrease) in policy loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	5,047,952	(2,399,306)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	(857,247)	(148,401)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(857,247)	(148,401)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS			
18.	Net change in cash and short-term investments (Line 11, plus Lines 15 and 17)	12,836,498	145,668
19.	Cash and short-term investments:		
19.1	Beginning of year	48,734,938	48,589,270
19.2	End of year (Line 18 plus Line 19.1)	61,571,436	48,734,938

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001		
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

(Gain and Loss Exhibit)

[illegible]

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
		Direct	Reinsurance	Reinsurance	Net Premium
Line of Business		Business	Assumed	Ceded	Income
					(Columns
					1 + 2 - 3)
1.	Comprehensive (hospital and medical)	279,275,693		937,818	278,337,875
2.	Medicare Supplement				
3.	Dental only				
4.	Vision only				
5.	Federal Employee Health Benefits Plan				
6.	Title XVIII - Medicare				
7.	Title XIX - Medicaid				
8.	Stop loss				
9.	Disability income				
10.	Long-term care				
11.	Other health				
12.	Health subtotal (Lines 1 through 11)	279,275,693		937,818	278,337,875
13.	Life				
14.	Property/casualty				
15.	TOTALS (Lines 12 to 14)	279,275,693		937,818	278,337,875

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - Claims Incurred During the Year

		1	2	3	4	5	6	7	8	9	10	11	12	13
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1.	Payments during the year:													
	1.1 Direct	241,609,780	241,609,780											
	1.2 Reinsurance assumed													
	1.3 Reinsurance ceded													
	1.4 Net	241,609,780	241,609,780											
2.	Paid medical incentive pools and bonuses	1,732,783	1,732,783											
3.	Claim liability December 31, current year from Part 2A:													
	3.1 Direct	24,655,822	24,655,822											
	3.2 Reinsurance assumed													
	3.3 Reinsurance ceded													
	3.4 Net	24,655,822	24,655,822											
4.	Claim reserve December 31, current year from Part 2D:													
	4.1 Direct													
	4.2 Reinsurance assumed													
	4.3 Reinsurance ceded													
	4.4 Net													
5.	Accrued medical incentive pools and bonuses, current year	3,323,802	3,323,802											
6.	Amounts recoverable from reinsurers December 31, current year	132,731	132,731											
7.	Claim liability December 31, prior year from Part 2A:													
	7.1 Direct	24,086,180	24,013,561					1,794	70,826					
	7.2 Reinsurance assumed													
	7.3 Reinsurance ceded													
	7.4 Net	24,086,180	24,013,561					1,794	70,826					
8.	Claim reserve December 31, prior year from Part 2D:													
	8.1 Direct													
	8.2 Reinsurance assumed													
	8.3 Reinsurance ceded													
	8.4 Net													
9.	Accrued medical incentive pools and bonuses, prior year	365,593	365,593											
10.	Amounts recoverable from reinsurers December 31, prior year	21,784	21,784											
11.	Incurred benefits:													
	11.1 Direct	242,179,422	242,252,041					(1,794)	(70,826)					
	11.2 Reinsurance assumed													
	11.3 Reinsurance ceded	110,947	110,947											
	11.4 Net	242,068,475	242,141,094					(1,794)	(70,826)					
12.	Incurred medical incentive pools and bonuses	4,690,992	4,690,992											

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - Claims Liability End of Current Year

		1	2	3	4	5	6	7	8	9	10	11	12	13
		Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1.	Reported in Process of Adjustment:													
	1.1 Direct	7,656,968	7,656,968											
	1.2 Reinsurance assumed													
	1.3 Reinsurance ceded													
	1.4 Net	7,656,968	7,656,968											
2.	Incurred but Unreported:													
	2.1 Direct	15,229,551	15,229,551											
	2.2 Reinsurance assumed													
	2.3 Reinsurance ceded													
	2.4 Net	15,229,551	15,229,551											
3.	Amounts Withheld from Paid Claims and Capitations:													
	3.1 Direct	1,769,303	1,769,303											
	3.2 Reinsurance assumed													
	3.3 Reinsurance ceded													
	3.4 Net	1,769,303	1,769,303											
4.	TOTALS													
	4.1 Direct	24,655,822	24,655,822											
	4.2 Reinsurance assumed													
	4.3 Reinsurance ceded													
	4.4 Net	24,655,822	24,655,822											

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1.	Comprehensive (hospital and medical)	20,566,372	221,280,636	1,178,069	23,477,753	21,744,441	24,013,561
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare						1,794
7.	Title XIX - Medicaid						70,826
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	20,566,372	221,280,636	1,178,069	23,477,753	21,744,441	24,086,181
10.	Other non-health						
11.	Medical incentive pool and bonus amounts	326,953	1,405,830	38,640	3,285,162	365,593	365,593
12.	TOTALS (Lines 9 to 11)	20,893,325	222,686,466	1,216,709	26,762,915	22,110,034	24,451,774

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2000	2 2001	3 2002	4 2003	5 2004
1.	Prior	37,045	1,399	(34)	(17)	(2)
2.	2000	221,423	22,942	494	(4)	(2)
3.	2001	X X X	210,014	23,039	621	(23)
4.	2002	X X X	X X X	226,972	25,996	75
5.	2003	X X X	X X X	X X X	195,576	20,518
6.	2004	X X X	X X X	X X X	X X X	221,281

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 2000	2 2001	3 2002	4 2003	5 2004
1.	Prior	37,045	1,399	(36)	(16)	(2)
2.	2000	248,517	25,314	516	(2)	(2)
3.	2001	X X X	231,380	25,401	621	(23)
4.	2002	X X X	X X X	250,073	27,916	75
5.	2003	X X X	X X X	X X X	217,739	21,696
6.	2004	X X X	X X X	X X X	X X X	244,758

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2000	273,100	244,853			244,853	89.657			244,853	89.657
2.	2001	258,628	233,381			233,381	90.238			233,381	90.238
3.	2002	286,442	253,043	3,403	1.345	256,446	89.528			256,446	89.528
4.	2003	256,362	216,094	1,910	0.884	218,004	85.038	1,178	423	219,605	85.662
5.	2004	279,276	221,281	3,415	1.543	224,696	80.457	26,802	459	251,957	90.218

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Hospital and Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2000	2 2001	3 2002	4 2003	5 2004
1.	Prior	28,018	829	(26)	(14)	(2)
2.	2000	180,912	17,593	271	(5)	(2)
3.	2001	X X X	200,254	21,528	488	(23)
4.	2002	X X X	X X X	218,402	25,628	75
5.	2003	X X X	X X X	X X X	195,521	20,518
6.	2004	X X X	X X X	X X X	X X X	221,281

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 2000	2 2001	3 2002	4 2003	5 2004
1.	Prior	28,018	829	(28)	(12)	(2)
2.	2000	201,439	19,374	271	(5)	(2)
3.	2001	X X X	219,926	23,347	488	(23)
4.	2002	X X X	X X X	241,261	27,477	75
5.	2003	X X X	X X X	X X X	217,684	21,696
6.	2004	X X X	X X X	X X X	X X X	244,758

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2000	226,930	198,769			198,769	87.590			198,769	87.590
2.	2001	245,497	221,977			221,977	90.419			221,977	90.419
3.	2002	277,079	244,105	3,403	1.394	247,508	89.328			247,508	89.328
4.	2003	256,358	216,039	1,910	0.884	217,949	85.017	1,178	423	219,550	85.642
5.	2004	279,276	221,281	3,415	1.543	224,696	80.457	26,802	459	251,957	90.218

12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . .	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP	NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2000	2 2001	3 2002	4 2003	5 2004
1.	Prior	2,509	109			
2.	2000	20,018	3,311	198		
3.	2001	X X X				
4.	2002	X X X	X X X			
5.	2003	X X X	X X X	X X X		
6.	2004	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 2000	2 2001	3 2002	4 2003	5 2004
1.	Prior	2,509	109			
2.	2000	22,828	3,581	220	2	
3.	2001	X X X				
4.	2002	X X X	X X X			
5.	2003	X X X	X X X	X X X		
6.	2004	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2000	25,307	23,527			23,527	92.966			23,527	92.966
2.	2001	106									
3.	2002										
4.	2003										
5.	2004										

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2000	2 2001	3 2002	4 2003	5 2004
1.	Prior	6,518	461	(8)	(3)	
2.	2000	20,493	2,038	25	1	
3.	2001	X X X	9,760	1,511	133	
4.	2002	X X X	X X X	8,570	368	
5.	2003	X X X	X X X	X X X	55	
6.	2004	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 2000	2 2001	3 2002	4 2003	5 2004
1.	Prior	6,518	461	(8)	(4)	
2.	2000	24,250	2,359	25	1	
3.	2001	X X X	11,454	2,054	133	
4.	2002	X X X	X X X	8,812	439	
5.	2003	X X X	X X X	X X X	55	
6.	2004	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2000	20,863	22,557			22,557	108.120			22,557	108.120
2.	2001	13,025	11,404			11,404	87.555			11,404	87.555
3.	2002	9,363	8,938			8,938	95.461			8,938	95.461
4.	2003	4	55			55	1,387.250			55	1,387.250
5.	2004										

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other NONE

13 Underwriting Invest Exh Pt 2D - A & H Reserve NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$..... for occupancy of own building)					
2.	Salaries, wages and other benefits	1,641,649		13,855,931		15,497,580
3.	Commissions (less \$..... ceded plus \$..... assumed)					
4.	Legal fees and expenses	24,915				24,915
5.	Certifications and accreditation fees					
6.	Auditing, actuarial and other consulting services	24,463		385,688		410,151
7.	Traveling expenses			241,320		241,320
8.	Marketing and advertising			1,464,416		1,464,416
9.	Postage, express and telephone			490,147		490,147
10.	Printing and office supplies	247,241		668,950		916,191
11.	Occupancy, depreciation and amortization	99,481		3,330,146		3,429,627
12.	Equipment			50,447		50,447
13.	Cost or depreciation of EDP equipment and software					
14.	Outsourced services including EDP, claims, and other services	1,252,478		5,523,021		6,775,499
15.	Boards, bureaus and association fees			169,240		169,240
16.	Insurance, except on real estate					
17.	Collection and bank service charges					
18.	Group service and administration fees					
19.	Reimbursements by uninsured accident and health plans					
20.	Reimbursements from fiscal intermediaries					
21.	Real estate expenses					
22.	Real estate taxes					
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes					
23.2	State premium taxes					
23.3	Regulator authority licenses and fees					
23.4	Payroll taxes	124,634		1,146,161		1,270,795
23.5	Other (excluding federal income and real estate taxes)			83,352		83,352
24.	Investment expenses not included elsewhere			318,588		318,588
25.	Aggregate write-ins for expenses					
26.	Total expenses incurred (Lines 1 to 25)	3,414,860		27,727,407		(a) ... 31,142,267
27.	Less expenses unpaid December 31, current year	459,187		380,230		839,417
28.	Add expenses unpaid December 31, prior year	422,741		401,918		824,659
29.	Amounts receivable relating to uninsured accident and health plans, prior year					
30.	Amounts receivable relating to uninsured accident and health plans, current year					
31.	Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) ..	3,378,414		27,749,095		31,127,509
DETAILS OF WRITE-INS						
2501	.....				
2502	.....				
2503	.....				
2598.	Summary of remaining write-ins for Line 25 from overflow page					
2599.	Totals (Lines 2501 through 2503 + 2598)(Line 25 above)					

(a) Includes management fees of \$..... to affiliates and \$..... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a)..... 10,106	..... 11,539
1.1	Bonds exempt from U.S. tax	(a).....	.....
1.2	Other bonds (unaffiliated)	(a).....	.....
1.3	Bonds of affiliates	(a).....	.....
2.1	Preferred stocks (unaffiliated)	(b).....	.....
2.11	Preferred stocks of affiliates	(b).....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e)..... 435,734	..... 526,287
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	Total gross investment income .....	..... 445,840	..... 537,826
11.	Investment expenses	(g).....	
12.	Investment taxes, licenses and fees, excluding federal income taxes	(g).....	
13.	Interest expense	(h).....	
14.	Depreciation on real estate and other invested assets	(i).....	
15.	Aggregate write-ins for deductions from investment income .....	.....
16.	Total deductions (Lines 11 through 15) .....	.....
17.	Net Investment income (Line 10 minus Line 16) .....	..... 537,826	
DETAILS OF WRITE-INS			
0901	.....	.....	.....
0902	.....	.....	.....
0903	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	.....	.....
1501	.....	.....	.....
1502	.....	.....	.....
1503	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above) .....	.....	.....
(a) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.			
(b) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued dividends on purchases.			
(c) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.			
(d) Includes \$..... for company's occupancy of its own buildings; and excluding \$..... interest on encumbrances.			
(e) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.			
(f) Includes \$..... accrual of discount less \$..... amortization of premium.			
(g) Includes \$..... investment expenses and \$..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$..... interest on surplus notes and \$..... interest on capital notes.			
(i) Includes \$..... depreciation on real estate and \$..... depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Total
1.	U.S. Government bonds .....	..... 1,843	.....	.....	..... 1,843
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....	.....
1.2	Other bonds (unaffiliated) .....	..... 6,888	.....	.....	..... 6,888
1.3	Bonds of affiliates .....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....	.....	.....
3.	Mortgage loans .....	.....	.....	.....	.....
4.	Real estate .....	.....	.....	.....	.....
5.	Contract loans .....	.....	.....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....	.....	.....	.....
7.	Derivative instruments .....	.....	.....	.....	.....
8.	Other invested assets .....	.....	.....	.....	.....
9.	Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....
10.	Total capital gains (losses) .....	..... 8,731	.....	.....	..... 8,731
DETAILS OF WRITE-INS					
0901	.....	.....	.....	.....	.....
0902	.....	.....	.....	.....	.....
0903	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	.....	.....	.....	.....

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
2.1	Preferred stocks			
2.2	Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens			
3.2	Other than first liens			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company			
4.2	Properties occupied by the production of income			
4.3	Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Other invested assets (Schedule BA)			
8.	Receivable for securities			
9.	Aggregate write-ins for invested assets			
10.	Subtotals, cash and invested assets (Lines 1 to 9)			
11.	Invested income due and accrued			
12.	Premium and considerations:			
12.1	Uncollected premiums and agents' balances in the course of collection			
12.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due			
12.3	Accrued retrospective premiums			
13.	Reinsurance:			
13.1	Amounts recoverable from reinsurers			
13.2	Funds held by or deposited with reinsured companies			
13.3	Other amounts receivable under reinsurance contracts			
14.	Amounts receivable relating to uninsured plans			
15.1	Current federal and foreign income tax recoverable and interest thereon			
15.2	Net deferred tax asset			
16.	Guaranty funds receivable or on deposit			
17.	Electronic data processing equipment and software			
18.	Furniture and equipment, including health care delivery assets			
19.	Net adjustment in assets and liabilities due to foreign exchange rates			
20.	Receivable from parent, subsidiaries and affiliates			
21.	Health care and other amounts receivable	3,796		(3,796)
22.	Other assets nonadmitted			
23.	Aggregate write-ins for other than invested assets			
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	3,796		(3,796)
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26.	Total (Lines 24 and 25)	3,796		(3,796)
DETAILS OF WRITE-INS				
0901	.....		
0902	.....		
0903	.....		
0998.	Summary of remaining write-ins for Line 9 from overflow page			
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)			
2301	.....		
2302	.....		
2303	.....		
2398.	Summary of remaining write-ins for Line 23 from overflow page			
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)			

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	102,251	103,212	104,532	101,835	102,752	1,233,972
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	102,251	103,212	104,532	101,835	102,752	1,233,972
DETAILS OF WRITE-INS							
0601	.....					
0602	.....					
0603	.....					
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statement

1. Summary of Significant Accounting Policies:

Cash and Cash Equivalents for purpose of the statements of cash flows are certificates of deposit, U.S. Government securities, commercial paper, repurchase agreements, corporate bonds and notes, and other short-term investments with original maturities of less than three months.

Investments - Investments are reported at cost adjusted for amortization of premiums or discounts using the scientific (constant yield) interest method.

Premium Revenue - Enrollee contracts are negotiated on a yearly basis. Premium are due monthly and are recognized as revenue during the period in which Care Choices is obligated to provide services to its enrollees. Premiums received prior to the period of coverage are reported as unearned premium revenue.

Investment Income - Investment income on cash, cash equivalents and marketable securities are recorded in these financial statements at the rate earned.

Medical Expenses - The liability for claims payable is accrued in the period such services are provided and include estimates of services performed which have not been billed to Care Choices and losses on existing contracts related to the excess of expected future health care costs over anticipated future premiums. The method of making such estimates and for establishing the resulting liability is continually reviewed and updated, and any adjustment resulting therefrom are reflected in the activities expenses currently. Actual results could differ from these estimates.

Income (Loss) from Operations - The statement of operations includes income (loss) from operations. Changes in unrestricted net assets which are excluded from income from operations, consistent with industry practice, include unrealized gains and losses on investments and permanent transfers of assets to and from affiliates for other than goods and services.

2A. Accounting Changes and Corrections of Errors:

The accompanying financial statements have been prepared in conformity with the NAIC Annual Statement Instructions and Accounting Policies and Procedures except for the following item, which caused surplus to be increased by \$ 2,859,704. The Company received approval from the Office Of Financial and Insurance Services of the State of Michigan ("OFIS") to record as other income a contribution of investment income allocated to the Company from Trinity Health of \$ 2,859,704 as a permitted practice. This permitted practice has been granted to the Company until further notice by OFIS.

3. Business Combinations and Goodwill:

No Applicable

4. Discontinued Operations:

No Change

5. Investments:

Not Applicable

6. Joint Ventures, Partnerships and Limited Liability Companies:

Not Applicable

7. Investment Income:

Not Applicable

8. Derivative Instruments:

Not Applicable

9. Income Taxes:

Care Choices, a Michigan not-for-profit corporation, is an organization described in the Internal Revenue Code(IRC) Section 501 (c) (4) and as such is exempt from Federal income taxes under Section 501(a) of the IRS.

Notes to Financial Statement

10. Information Concerning Parent, Subsidiaries and Affiliates:

Care Choices has an administrative services agreement with Trinity Health Plans, a subsidiary of Trinity Health, whereby Trinity Health Plans pays all salaries and provides all administrative services to Care Choices. Under the terms of the administrative services agreement, Care Choices was charged approximately \$29,875,228 and \$31,032,073 for the years ended December 31, 2004 and 2003, respectively. Administrative fees are charged based on a per member per month basis.

For the years ended December 31, 2004, and 2003, Care Choices recorded premium revenue of approximately \$27,793,964 and \$25,716,511, respectively, attributable to Care Choices' affiliates.

Medical expenses paid to affiliates of Care Choices for the delivery of health care services totaled approximately \$65,255,636 and \$61,652,741 during 2004 and 2003, respectively.

11. Debt:

Not applicable

12. Retirement Plans, Deferred Compensations, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans:

Not Applicable- Care Choices has no employees

13. Capital and Surplus, Shareholders', Dividends Restrictions and Quasi-Reorganizations:

Care Choices is a non-profit organization and cannot pay dividends.

14. Contingencies:

Under the terms of its contracts with providers and CPEs, Care Choices is subject to audits of claims processed and arbitration and dispute resolution processes. Such audits and processes encompass the accuracy of the claims paid and the application of the various contract terms. Care Choices records and estimated amount for the resolution of such matters. Settlement of such matters are not expected to have a material adverse effect on Care Choices' financial position or results from operations.

Care Choices is involved in litigation arising in the course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on Care Choices future financial position or results of operations.

15. Leases:

Care Choices does not have any material leases.

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk:

Not Applicable

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities:

Not Applicable

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans:

Not Applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators:

Not Applicable

20. September 11 Events:

None

21. Other Items:

Notes to Financial Statement

None

22. Events Subsequent:

None

23. Reinsurance:

Reinsurance recoveries are stated at their net realizable amount.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination:

None

25. Change in Incurred Claims and Claim Adjustment Expenses:

During the year, Care Choices revised estimates and made payments relating to medical and hospital services rendered in the prior year in amounts different from those previously estimated. These changes in accounting estimates resulting in a reduction in reserves of medical and hospital expenses of approximately \$ 2,341,740 in 2004.

26. Intercompany Pooling Arrangements:

None

27. Structured Settlements:

Not Applicable

28. Health Care Receivables:

None

29. Participating Policies:

None

30. Premium Deficiency Reserves:

None

31. Anticipated Salvage and Subrogation:

None

SUMMARY INVESTMENT SCHEDULE

Investment Categories		Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
		1 Amount	2 Percentage	3 Amount	4 Percentage
1.	Bonds:				
1.1	U.S. treasury securities			1,011,117	1.642
1.2	U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21	Issued by U.S. government agencies				
1.22	Issued by U.S. government sponsored agencies				
1.3	Foreign government (including Canada, excluding mortgage-backed securities)				
1.4	Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41	States, territories and possessions general obligations				
1.42	Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43	Revenue and assessment obligations				
1.44	Industrial development and similar obligations				
1.5	Mortgage-backed securities (includes residential and commercial MBS):				
1.51	Pass-through securities:				
1.511	Issued or Guaranteed by GNMA				
1.512	Issued or Guaranteed by FNMA and FHLMC				
1.513	All other				
1.52	CMOs and REMICs:				
1.521	Issued or guaranteed by GNMA, FNMA or FHLMC or VA				
1.522	Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521				
1.523	All other				
2.	Other debt and other fixed income securities (excluding short term):				
2.1	Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)				
2.2	Unaffiliated foreign securities				
2.3	Affiliated securities				
3.	Equity interests:				
3.1	Investments in mutual funds				
3.2	Preferred stocks:				
3.21	Affiliated				
3.22	Unaffiliated				
3.3	Publicly traded equity securities (excluding preferred stocks):				
3.31	Affiliated				
3.32	Unaffiliated				
3.4	Other equity securities:				
3.41	Affiliated				
3.42	Unaffiliated				
3.5	Other equity interests including tangible personal property under lease:				
3.51	Affiliated				
3.52	Unaffiliated				
4.	Mortgage loans:				
4.1	Construction and land development				
4.2	Agricultural				
4.3	Single family residential properties				
4.4	Multifamily residential properties				
4.5	Commercial loans				
4.6	Mezzanine real estate loans				
5.	Real estate investments:				
5.1	Property occupied by company				
5.2	Property held for production of income (includes \$..... of property acquired in satisfaction of debt)				
5.3	Property held for sale (\$..... including property acquired in satisfaction of debt)				
6.	Policy loans				
7.	Receivables for securities				
8.	Cash, cash equivalents and short-term investments			60,560,319	98.358
9.	Other invested assets				
10.	Total invested assets			61,571,436	100.000

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
Michigan
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2002
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2002
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

02/18/2004
- 3.4 By what department or departments?
Office of Financial and Insurance Services, State of Michigan
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[] No[X]
- 4.12 renewals?

Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[] No[X]
- 4.22 renewals?

Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action either formal or informal, if a confidentiality clause is part of the agreement)

Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

 %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1	2
Nationality	Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
		Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche LLP, 600 Renaissance Center, Suite 900, Detroit, MI 48243-1704
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Steven N. Wander, Deloitte Consulting LLP, 400 One Financial Plaza, 120 South Sixth Street, Minneapolis, MN 55402; actuary associated with Deloitte Consulting LLP
11. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 11.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

Yes[] No[X]
- 11.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[] No[X]
- 11.3 Have there been any changes made to any of the trust indentures during the year?

Yes[] No[] N/A[X]
- 11.4 If answer to (11.3) is yes, has the domiciliary or entry state approved the changes?

BOARD OF DIRECTORS

12. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[X] No[]
13. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[]
14. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or is likely to conflict with the official duties of such person?

Yes[X] No[]

GENERAL INTERROGATORIES (Continued)
FINANCIAL

15.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

15.11 To directors or other officers

15.12 To stockholders not officers

15.13 Trustees, supreme or grand (Fraternal only)

\$ \$ \$

15.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

15.21 To directors or other officers

15.22 To stockholders not officers

15.23 Trustees, supreme or grand (Fraternal only)

\$ \$ \$

16.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[] No[X]

16.2 If yes, state the amount thereof at December 31 of the current year:

16.21 Rented from others

16.22 Borrowed from others

16.23 Leased from others

16.24 Other

\$ \$ \$ \$

Disclose in Notes to Financial the nature of each obligation.

17.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[] No[X]

17.2 If answer is yes:

17.21 Amount paid as losses or risk adjustment

17.22 Amount paid as expenses

17.23 Other amounts paid

\$ \$ \$

INVESTMENT

18. List the following capital stock information for the reporting entity:

	1	2	3	4	5	6
Class	Number of Shares Authorized	Number of Shares Outstanding	Par Value Per Share	Redemption Price If Callable	Is Dividend Rate Limited?	Are Dividends Cumulative?
1. Preferred					Yes[] No[] N/A[X]	Yes[] No[] N/A[X]
2. Common				X X X	X X X	X X X

19.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits?

Yes[X] No[]

19.2 If no, give full and complete information, relating thereto:

20.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E - Part 3 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 16.1).

Yes[] No[X]

20.2 If yes, state the amount thereof at December 31 of the current year:

20.21 Loaned to others

20.22 Subject to repurchase agreements

20.23 Subject to reverse repurchase agreements

20.24 Subject to dollar repurchase agreements

20.25 Subject to reverse dollar repurchase agreements

20.26 Pledged as collateral

20.27 Placed under option agreements

20.28 Letter stock or securities restricted as to sale

20.29 Other

\$ \$ \$ \$ \$ \$ \$ \$ \$

20.3 For category (20.28) provide the following:

1	2	3
Nature of Restriction	Description	Amount

21.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes[] No[X]

21.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[] No[] N/A[X]

If no, attach a description with this statement.

22.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[] No[X]

22.2 If yes, state the amount thereof at December 31 of the current year.

\$

23. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[]

23.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian's Address
Comerica Bank	P.O. Box 75000, Detroit, MI 48275
The Northern Trust Company	50 LaSalle Street, Chicago, IL 60675

23.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

GENERAL INTERROGATORIES (Continued)

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....

23.03 Have there been any changes, including name changes, in the custodian(s) identified in 23.01 during the current year? Yes[] No[X]
23.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

23.05 Identify all investment advisers, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
.....

24.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])? Yes[] No[X]
24.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
24.2999 Total

24.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....

25 Provide the following information for all short term and long term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over statement (+)
25.1 Bonds
25.2 Preferred stocks
25.3 Totals

25.4 Describe the sources of methods utilized in determining the fair values

26.1 Have all the filing requirements of the Purposes and Procedures manual of the NAIC Securities Valuation Office been followed? Yes[] No[X]
26.2 If no, list exceptions:

OTHER

27.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$
27.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....

28.1 Amount of payments for legal expenses, if any? \$
28.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....

GENERAL INTERROGATORIES (Continued)

29.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

29.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

\$

1	2
Name	Amount Paid
.....

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[] No[X]
- 1.2 If yes, indicate premium earned on U.S. business only:

\$
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$
- 1.31 Reason for excluding:
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$
- 1.6 Individual policies - Most current three years:
- 1.61 Total premium earned

\$
- 1.62 Total incurred claims

\$
- 1.63 Number of covered lives

\$
- All years prior to most current three years:
- 1.64 Total premium earned

\$
- 1.65 Total incurred claims

\$
- 1.66 Number of covered lives

\$
- 1.7 Group policies - Most current three years:
- 1.71 Total premium earned

\$
- 1.72 Total incurred claims

\$
- 1.73 Number of covered lives

\$
- All years prior to most current three years:
- 1.74 Total premium earned

\$
- 1.75 Total incurred claims

\$
- 1.76 Number of covered lives

\$

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator	278,337,875	255,520,538
2.2	Premium Denominator	278,337,875	255,520,538
2.3	Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4	Reserve Numerator	27,979,624	24,451,774
2.5	Reserve Denominator	27,979,624	24,451,774
2.6	Reserve Ratio (2.4 / 2.5)	1.000	1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency?

Yes[X] No[]
- 4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[] No[X]
- 5.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[]
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
- 5.31 Comprehensive Medical

\$ 150,000
- 5.32 Medical Only

\$
- 5.33 Medicare Supplement

\$
- 5.34 Dental

\$
- 5.35 Other Limited Benefit Plan

\$
- 5.36 Other

\$
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
The State of Michigan requires "hold harmless" language in all Provider contracts. Our reinsurance coverage provides for insolvency by continuing benefits for members who are confined to an acute-care hospital on the date of insolvency until they are discharged. Plan benefits will continue for any member until the end of the contract period for which premiums has been paid.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service data base?

Yes[X] No[]
- 7.2 If no, give details:
8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year

..... 5797
- 8.2 Number of providers at end of reporting year

..... 5795
- 9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[] No[X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months

..... 0
- 9.22 Business with rate guarantees over 36 months

..... 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[X] No[]
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses

\$ 1,754,448
- 10.22 Amount actually paid for year bonuses

\$ 1,556,293
- 10.23 Maximum amount payable withholds

\$ 2,042,827
- 10.24 Amount actually paid for year withholds

\$ 273,524
- 11.1 Is the reporting entity organized as:
- 11.12 A medical Group/Staff Model,

Yes[] No[X]
- 11.13 An Individual Practice Association (IPA), or,

Yes[] No[X]
- 11.14 A Mixed Model (combination of above)?

Yes[] No[X]
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes[X] No[]
- 11.3 If yes, show the name of the state requiring such net worth.
Michigan
- 11.4 If yes, show the amount required.

\$ 11,133,515
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes[X] No[]
- 11.6 If the amount is calculated, show the calculation.
4% of premium revenue; .04 x 278,337,875

GENERAL INTERROGATORIES (Continued)

12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area
Clinton, MI
Eaton, MI
Kent, MI
Livingston, MI
Muskegon, MI
Ottawa, MI
Washtenaw, MI
Saginaw, MI
Lapeer, MI
Oakland, MI
Macomb, MI
Wayne, MI
Allegan, MI
Barry, MI
Ionia, MI
Shiawassee, MI
Calhoun, MI
St. Clair, MI

FIVE-YEAR HISTORICAL DATA

	1 2004	2 2003	3 2002	4 2001	5 2000
BALANCE SHEET ITEMS (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	66,580,523	57,573,389	55,779,322	55,834,326	47,131,309
2. Total liabilities (Page 3, Line 22)	32,682,483	27,165,782	32,574,237	35,797,983	35,823,892
3. Statutory surplus	8,764,820	7,705,306	8,842,484	8,378,448	8,282,408
4. Total capital and surplus (Page 3, Line 30)	33,898,040	30,407,607	23,205,085	20,036,343	11,309,263
INCOME STATEMENT ITEMS (Page 4)					
5. Total revenues (Line 8)	278,337,875	255,520,538	286,442,742	258,627,838	273,099,506
6. Total medical and hospital expenses (Line 18)	247,107,640	219,688,024	247,801,755	233,515,257	245,450,906
7. Claims adjustment expenses (Line 20)	3,414,860	1,909,950			
8. Total administrative expenses (Line 21)	27,727,407	29,751,064	34,242,767	28,787,420	33,046,732
9. Net underwriting gain (loss) (Line 24)	87,968	4,171,499	994,915	(4,993,590)	(6,830,914)
10. Net investment gain (loss) (Line 27)	546,557	416,137	806,605	1,529,796	2,389,970
11. Total other income (Lines 28 plus 29)	2,859,704	2,608,365	1,371,761	683,079	1,000,840
12. Net income or (loss) (Line 32)	3,494,229	7,196,001	3,173,281	(2,780,715)	(3,440,104)
RISK-BASED CAPITAL ANALYSIS					
13. Total adjusted capital	33,898,040	30,407,607	23,205,085	20,036,343	11,309,263
14. Authorized control level risk-based capital	8,764,820	7,705,306	8,842,484	8,378,448	8,282,408
ENROLLMENT (Exhibit 1)					
15. Total members at end of period (Column 5, Line 7)	102,752	102,251	120,679	129,578	136,569
16. Total members months (Column 6, Line 7)	1,233,972	1,219,236	1,526,143	1,563,101	1,727,038
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5)x 100.0					
17. Premiums earned (Lines 2 plus 3)	100.0	100.0	100.0	100.0	100.0
18. Total hospital and medical (Line 18)	89	86	87	90	90
19. Cost containment expenses	1	X X X	X X X	X X X	X X X
20. Other claims adjustment expenses					
21. Total underwriting deductions (Line 23)	100	98	100	102	103
22. Total underwriting gain (loss) (Line 24)	0	2	0	(2)	(3)
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
23. Total claims incurred for prior years (Line 12, Column 5)	22,110,034	28,518,558	25,883,159	26,735,047	34,983,136
24. Estimated liability of unpaid claims-[prior year (Line 12, Column 6)]	24,451,774	28,792,571	27,576,052	30,752,806	31,700,992
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
25. Affiliated bonds (Sch. D Summary, Line 25, Column 1)					
26. Affiliated preferred stocks (Sch. D Summary, Line 39, Column 1) ...					
27. Affiliated common stocks (Sch. D Summary, Line 53, Column 2) ...					
28. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Column 5, Line 11)					
29. Affiliated mortgage loans on real estate					
30. All other affiliated					
31. Total of above Lines 25 to 30					

SCHEDULE D - SUMMARY BY COUNTRY

Long-term Bonds and Stocks OWNED December 31 of Current Year

Description			1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1.	United States .....	.....	.....	.....	.....
	2.	Canada .....	.....	.....	.....	.....
	3.	Other Countries .....	.....	.....	.....	.....
	4.	Totals .....	.....	.....	.....	.....
States, Territories and Possessions (Direct and Guaranteed)	5.	United States .....	.....	.....	.....	.....
	6.	Canada .....	.....	.....	.....	.....
	7.	Other Countries .....	.....	.....	.....	.....
	8.	Totals .....	.....	.....	.....	.....
Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)	9.	United States .....	.....	.....	.....	.....
	10.	Canada .....	.....	.....	.....	.....
	11.	Other Countries .....	.....	.....	.....	.....
	12.	Totals .....	.....	.....	.....	.....
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13.	United States .....	.....	.....	.....	.....
	14.	Canada .....	.....	.....	.....	.....
	15.	Other Countries .....	.....	.....	.....	.....
	16.	Totals .....	.....	.....	.....	.....
Public Utilities (unaffiliated)	17.	United States .....	.....	.....	.....	.....
	18.	Canada .....	.....	.....	.....	.....
	19.	Other Countries .....	.....	.....	.....	.....
	20.	Totals .....	.....	.....	.....	.....
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21.	United States .....	.....	.....	.....	.....
	22.	Canada .....	.....	.....	.....	.....
	23.	Other Countries .....	.....	.....	.....	.....
	24.	Totals .....	.....	.....	.....	.....
Parent, Subsidiaries and Affiliates	25.	Totals .....	.....	.....	.....	.....
	26.	Total Bonds .....	.....	.....	.....	.....
PREFERRED STOCKS Public Utilities (unaffiliated)	27.	United States	N O N E		.....	.....
	28.	Canada .....			.....	.....
	29.	Other Countries .....			.....	.....
	30.	Totals .....			.....	.....
Banks, Trust and Insurance Companies (unaffiliated)	31.	United States .....	.....	.....	.....	.....
	32.	Canada .....	.....	.....	.....	.....
	33.	Other Countries .....	.....	.....	.....	.....
	34.	Totals .....	.....	.....	.....	.....
Industrial and Miscellaneous (unaffiliated)	35.	United States .....	.....	.....	.....	.....
	36.	Canada .....	.....	.....	.....	.....
	37.	Other Countries .....	.....	.....	.....	.....
	38.	Totals .....	.....	.....	.....	.....
Parent, Subsidiaries and Affiliates	39.	Totals .....	.....	.....	.....	.....
	40.	Total Preferred Stocks .....	.....	.....	.....	.....
COMMON STOCKS Public Utilities (unaffiliated)	41.	United States .....	.....	.....	.....	.....
	42.	Canada .....	.....	.....	.....	.....
	43.	Other Countries .....	.....	.....	.....	.....
	44.	Totals .....	.....	.....	.....	.....
Banks, Trust and Insurance Companies (unaffiliated)	45.	United States .....	.....	.....	.....	.....
	46.	Canada .....	.....	.....	.....	.....
	47.	Other Countries .....	.....	.....	.....	.....
	48.	Totals .....	.....	.....	.....	.....
Industrial and Miscellaneous (unaffiliated)	49.	United States .....	.....	.....	.....	.....
	50.	Canada .....	.....	.....	.....	.....
	51.	Other Countries .....	.....	.....	.....	.....
	52.	Totals .....	.....	.....	.....	.....
Parent, Subsidiaries and Affiliates	53.	Totals .....	.....	.....	.....	.....
	54.	Total Common Stocks .....	.....	.....	.....	.....
	55.	Total Stocks .....	.....	.....	.....	.....
	56.	Total Bonds and Stocks .....	.....	.....	.....	.....

SCHEDULE D - Verification Between Years

1. Book/adjusted carrying value of bonds and stocks, prior year. .	<u>5,047,952</u>	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 7, Part 3.....	<u>8,593,989</u>	6.1 Column 15, Part 1.....	_____
3. Increase (decrease) by adjustment:		6.2 Column 19, Part 2, Section 1.....	_____
3.1 Columns 12 + 13 - 14, Part 1.....	_____	6.3 Column 16, Part 2, Section 2.....	_____
3.2 Column 18, Part 2, Section 1.....	_____	6.4 Column 15, Part 4.....	_____
3.3 Column 15, Part 2, Section 2.....	_____	7. Book/adjusted carrying value at end of current period.....	<u>0</u>
3.4 Column 14, Part 4.....	<u>85,135</u>	8. Total valuation allowance.....	_____
4. Total gain (loss), Column 19, Part 4.....	<u>8,731</u>	9. Subtotal (Lines 7 plus 8).....	<u>0</u>
5. Deduct consideration for bonds and stocks disposed of		10. Total nonadmitted assets.....	_____
Column 7, Part 4.....	<u>13,735,807</u>	11. Statement value of bonds and stocks, current period.....	<u>0</u>

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
Allocated by States and Territories

		1	2	Direct Business Only					
				3	4	5	6	7	8
State, Etc.		Guaranty Fund (Yes or No)	Is Insurer Licensed (Yes or No)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Deposit-Type Contract Funds	Property/ Casualty Premiums
1.	Alabama (AL)	No ..	No ..						
2.	Alaska (AK)	No ..	No ..						
3.	Arizona (AZ)	No ..	No ..						
4.	Arkansas (AR)	No ..	No ..						
5.	California (CA)	No ..	No ..						
6.	Colorado (CO)	No ..	No ..						
7.	Connecticut (CT)	No ..	No ..						
8.	Delaware (DE)	No ..	No ..						
9.	District of Columbia (DC)	No ..	No ..						
10.	Florida (FL)	No ..	No ..						
11.	Georgia (GA)	No ..	No ..						
12.	Hawaii (HI)	No ..	No ..						
13.	Idaho (ID)	No ..	No ..						
14.	Illinois (IL)	No ..	No ..						
15.	Indiana (IN)	No ..	No ..						
16.	Iowa (IA)	No ..	No ..						
17.	Kansas (KS)	No ..	No ..						
18.	Kentucky (KY)	No ..	No ..						
19.	Louisiana (LA)	No ..	No ..						
20.	Maine (ME)	No ..	No ..						
21.	Maryland (MD)	No ..	No ..						
22.	Massachusetts (MA)	No ..	No ..						
23.	Michigan (MI)	No ..	Yes ..	279,275,693					
24.	Minnesota (MN)	No ..	No ..						
25.	Mississippi (MS)	No ..	No ..						
26.	Missouri (MO)	No ..	No ..						
27.	Montana (MT)	No ..	No ..						
28.	Nebraska (NE)	No ..	No ..						
29.	Nevada (NV)	No ..	No ..						
30.	New Hampshire (NH)	No ..	No ..						
31.	New Jersey (NJ)	No ..	No ..						
32.	New Mexico (NM)	No ..	No ..						
33.	New York (NY)	No ..	No ..						
34.	North Carolina (NC)	No ..	No ..						
35.	North Dakota (ND)	No ..	No ..						
36.	Ohio (OH)	No ..	No ..						
37.	Oklahoma (OK)	No ..	No ..						
38.	Oregon (OR)	No ..	No ..						
39.	Pennsylvania (PA)	No ..	No ..						
40.	Rhode Island (RI)	No ..	No ..						
41.	South Carolina (SC)	No ..	No ..						
42.	South Dakota (SD)	No ..	No ..						
43.	Tennessee (TN)	No ..	No ..						
44.	Texas (TX)	No ..	No ..						
45.	Utah (UT)	No ..	No ..						
46.	Vermont (VT)	No ..	No ..						
47.	Virginia (VA)	No ..	No ..						
48.	Washington (WA)	No ..	No ..						
49.	West Virginia (WV)	No ..	No ..						
50.	Wisconsin (WI)	No ..	No ..						
51.	Wyoming (WY)	No ..	No ..						
52.	American Samoa (AS)	No ..	No ..						
53.	Guam (GU)	No ..	No ..						
54.	Puerto Rico (PR)	No ..	No ..						
55.	U.S. Virgin Islands (VI)	No ..	No ..						
56.	Canada (CN)	No ..	No ..						
57.	Aggregate other alien (OT)	X X X ..	X X X ..						
58.	TOTAL (Direct Business)	X X X ..	(a). 1 ..	279,275,693					
DETAILS OF WRITE-INS									
5701	.....							
5702	.....							
5703	.....							
5798.	Summary of remaining write-ins for Line 57 from overflow page								
5799.	TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above)								

(a) Insert the number of yes responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.:

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

See attached